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Attorneys for Nominal Defendant
RINO International Corporation

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEVADA

IN RE RINO INTERNATIONAL
CORPORATION DERIVATIVE LITIGATION,

Lead Case No. 2:10-cv-02209-MMD-GWF
(Consolidated with 2:10-cv-02244-KJD-GWF)

This Document Relates To:

ALL ACTIONS

NOTICE OF RELATED CASE
TRANSFERRED TO THIS COURT AND
REQUEST FOR CONSOLIDATION
PURSUANT TO CONSOLIDATION
ORDER

1 Pursuant to this Court's January 18, 2011 Order re: Stipulation re: (1) Consolidation of
2 Related Case; (2) Acceptance of Service; (3) Appointment of Lead Counsel and Liaison Counsel;
3 and (4) Setting a Briefing Schedule [#21] (the "Consolidation Order") and Local Rule 7-2.1,
4 Nominal Defendant RINO International Corporation ("RINO") hereby notifies the Court that a
5 related shareholder derivative action alleging the same or substantially the same transactions and
6 events and involving almost identical parties as the present action has been transferred to the
7 District of Nevada from the Central District of California. In addition, RINO requests that the
8 Court consolidate that transferred action with this consolidated action pursuant to the
9 Consolidation Order.

10 The related case which has been transferred to this District from the Central District of
11 California is captioned *Morningstar v. Dejun*, Case No. CV 11-00655 DDP (VBKx), which
12 received a new case number once it was transferred to the District of Nevada: 2:13-cv-00427-
13 JCM-GWF (the "*Morningstar* Action"). The March 12, 2013 Order re: Transfer to District of
14 Nevada in the *Morningstar* Action is attached hereto as Exhibit 1 ("Transfer Order"), and a letter
15 of transmittal from the Central District of California is attached hereto as Exhibit 2. The Transfer
16 Order explains, in relevant part:

17 This case is one of four shareholder derivative suits filed on behalf of
18 RINO. This is the second such action filed in federal court. The first (the
19 "Nevada Action") was filed in the District of Nevada on December 20,
2010, approximately one month before this case was initiated.

20 . . . The parties to the Nevada Action moved for preliminary settlement
21 approval in November 2012. The parties here appear to agree that final
22 approval of the proposed settlement in the Nevada Action will extinguish
23 Plaintiffs' claims in this case. . . .

24 The "first-to-file" rule "permits this court to decline jurisdiction when a
25 complaint involving the same parties and issues has already been filed in
26 another district." In such cases, this court may, in its discretion, stay,
27 transfer, or dismiss the later-filed suit. The rule promotes judicial efficiency
28 and reduces the risk of inconsistent decisions. Threshold factors include 1)
the chronology of the actions, 2) the similarity of the parties, and 3) the
similarity of the issues.

All three factors here weigh in favor of transfer to the District of Nevada.
The chronology and similarity of issues are not in dispute.

Ex. 1 at 1-3 (internal citations omitted).

This Court's Consolidation Order, which consolidated two related shareholder derivative cases into this single consolidated action in this Court, provides in relevant part:

The parties agree that the Court's Order shall apply to each case, arising out of the same or substantially the same transactions or events as these cases, which is subsequently filed in, removed to or transferred to this Court.

The parties agree that when a case which properly belongs as part of the *In re RINO International Corporation Derivative Litigation*, Lead Case No. Case No. 2:10-cv-02209-RLH-GWF, is hereafter filed in the Court or transferred here from another court, this Court requests the assistance of counsel in calling to the attention of the clerk of the Court the filing or transfer of any case which might properly be consolidated as part of the *In re RINO International Corporation Derivative Litigation*, Lead Case No. Case No. 2:10-cv-02209-RLH-GWF, and counsel are to assist in assuring that counsel in subsequent actions receive notice of the Court's Order.

Consolidation Order, ¶¶ 18-19.

Therefore, pursuant to the Consolidation Order and Local Rule 7-2.1, RINO hereby notifies the Court of the transfer of the *Morningstar* Action to the District of Nevada, and requests that the *Morningstar* Action be consolidated as part of *In re RINO International Corporation Derivative Litigation*, Lead Case No. 2:10-cv-02209-MMD-GWF. RINO further requests that the terms and provisions of the Consolidation Order shall apply to the *Morningstar* Action as well.

Dated: March 14, 2013

/s/ Patrick G. Byrne

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*Attorneys for Nominal Defendant
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* * *

ORDER

Pursuant to this Court's January 18, 2011 Order re: Stipulation re: (1) Consolidation of Related Case; (2) Acceptance of Service; (3) Appointment of Lead Counsel and Liaison Counsel; and (4) Setting a Briefing Schedule [#21] (the "Consolidation Order"), a related case which has been transferred to this District from the Central District of California, captioned *Morningstar v. Dejun*, Case No. 2:13-cv-00427-JCM-GWF (the "*Morningstar* Action"), is hereby consolidated as part of *In re RINO International Corporation Derivative Litigation*, Lead Case No. 2:10-cv-02209-MMD-GWF. The terms and provisions of the Consolidation Order shall apply to the *Morningstar* Action as well.

IT IS SO ORDERED.

MIRANDA DU
United States District Judge

DATED: _____

EXHIBIT 1

JS - 6

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

M. AILEEN MORNINGSTAR and)	Case No. CV 11-00655 DDP (VBKx)
ALICE SLETTEDAHL,)	
Derivatively on Behalf of)	
Nominal Defendant RINO)	
INTERNATIONAL CORPORATION,)	ORDER RE: TRANSFER TO DISTRICT OF
)	NEVADA
Plaintiffs,)	
)	
v.)	
)	
ZOU DEJUN, KENNITH C.)	
JOHNSON, QUAN XIE, BEN WANG,)	
LI YU, BRUCE RICHARDSON, YI)	
LIU, ZHANG WEIGUO and RINO)	
INTERNATIONAL CORPORATION,)	[Dkt. No. 90]
)	
Defendants.)	
_____)	

Presently before the court is Nominal Defendant RINO International Corporation's Motion to Stay this shareholder derivative action.

This case is one of four shareholder derivative suits filed on behalf of RINO. This is the second such action filed in federal court. The first (the "Nevada Action") was filed in the District

3 Defendants Zou Dejun and Qiu Jianping recently sold two
4 California houses to help fund the settlement of a related
5 shareholder class action in this court. (Declaration of Robin
6 Winchester ¶ 36.) Plaintiffs in this case believe that the home
7 sales yielded an excess of approximately \$2.4 million. (Id. ¶ 37.)
8 Plaintiffs have sought discovery regarding these assets, and intend
9 to seek to establish a constructive trust over the \$2.4 million.
10 (Id. ¶ 49.)

16 The court in the Nevada Action has yet to rule on the pending
17 motion for preliminary approval. Even if the court does
18 preliminarily approve the settlement, Plaintiffs here intend to
19 object to the settlement in the Nevada Action at the final approval
20 stage.

¹ The Nevada suit is In re RINO International Derivative
Litigation, No. 10-cv-2209-MMD-GWF.

1 Cedars-Sinai Med. Center v. Shalala, 125 F.3d 765, 769 (9th Cir.
2 1997). The rule promotes judicial efficiency and reduces the risk
3 of inconsistent decisions. Alltrade, Inc. v. Uniweld Prods., Inc.,
4 946 F.2d 622, 625 (9th Cir. 1991); Meru Networks, Inc. v. Extricom
5 Ltd., No. C-10-2021 RMW, 2010 WL 346315 at *3 (N.D. Cal. Aug. 31,
6 2010). Threshold factors include 1) the chronology of the actions,
7 2) the similarity of the parties, and 3) the similarity of the
8 issues. Alltrade, 946 F.2d at 625.

9 All three factors here weigh in favor of transfer to the
10 District of Nevada. The chronology and similarity of issues are
11 not in dispute. Though Plaintiffs argue that there is one
12 defendant in this case who is not named in the Nevada Action, the
13 parties in the two actions need only be substantially similar for
14 the first-to-file rule to apply. Nat'l Union Fire Ins. Co. of
15 Pittsburgh v. Payless Shoesource, Inc., No. C-11-1892 EMC, 2012 WL
16 3277222 at *3 (N.D. Cal. Aug. 9, 2012).

17 Accordingly, Defendant's motion is, for all intents and
18 purposes, GRANTED. Rather than stay this case, however, the court
19 transfers this matter to the District of Nevada.²
20 IT IS SO ORDERED.

21
22 Dated: March 12, 2013


23 DEAN D. PREGERSON
24 United States District Judge
25
26

27 ² Whether this case should be consolidated, the role of
28 Plaintiffs' present counsel, and whether to establish a
constructive trust over any Defendant's assets are issues best left
to the Nevada court.

EXHIBIT 2



UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION
312 North Spring Street, Room G-8
Los Angeles, CA 90012
Tel: (213) 894-3535

SOUTHERN DIVISION
411 West Fourth Street, Suite 1053
Santa Ana, CA 92701-4516
(714) 338-4750

EASTERN DIVISION
3470 Twelfth Street, Room 134
Riverside, CA 92501
(951) 328-4450

TERRY NAFISI
District Court Executive and
Clerk of Court

To: Clerk, United States District Court

District of Nevada

333 Las Vegas Boulevard South

Las Vegas, NV 89101-7065

Re: Transfer of our Civil Case No. CV11-655-DDP(VBKx)

Case Title: M. Aileen Morningstar -v- Zou Dejun

Dear Sir/Madam:

An order having been made transferring the above-numbered case to your district, we are transmitting herewith our file:

- ☐ Original case file documents are enclosed in paper format.
☒ Electronic Documents are accessible through Pacer.
☐ Other: _____

Very truly yours,

Clerk, U.S. District Court

Date: March 13, 2013 _____

By Brent Pacillas _____
Deputy Clerk

cc: All counsel of record

TO BE COMPLETED BY RECEIVING DISTRICT

Please acknowledge receipt via e-mail to appropriate address listed below and provide the case number assigned in your district:

- ☐ CivilIntakecourtdocs-LA@cacd.uscourts.gov (Los Angeles Office)
☐ CivilIntakecourtdocs-RS@cacd.uscourts.gov (Riverside Office)
☐ CivilIntakecourtdocs-SA@cacd.uscourts.gov (Santa Ana Office)

Case Number: _____

Clerk, U.S. District Court

Date: _____

By _____
Deputy Clerk